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**School Competition and Promotion:**

**Substantive and Symbolic Differentiation in Local Education Markets**

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**ABSTRACT:** School reforms that use market-style mechanisms of parental choice and competition between schools are intended to leverage change by compelling schools to diversify options, develop innovations, and increase effectiveness. An examination of school responses to competition in two local education markets indicates that, rather than promoting diverse curricular options for a wide range of potential students, schools often adopt marketing strategies that target particular types of students. A review of marketing materials demonstrates that schools — particularly those that are intended to drive change through competition — are adopting marketing strategies designed to attract “better” students, often from schools that are already considered to be successful. Thus, schools often act in ways that reflect contradictory incentives for how schools might engage the marketplace.

**KEYWORDS:** Competition effects, Charter schools, Private schools, Marketing

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## School Competition and Promotion

The Occasional Paper Series produced by the National Center for the Study of Privatization in Education promotes dialogue about the many facets of privatization in education. The subject matter of the papers is diverse, including research reviews and original research on vouchers, charter schools, home schooling, and educational management organizations. The papers are grounded in a range of disciplinary and methodological approaches. The views presented in this paper are those of the authors and do not necessarily represent the official views of the NCSPE.

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As market-style approaches to the provision of education continue to proliferate, forces intended to leverage change in the classroom are shaping the ways that schools operate and, increasingly, the ways that schools engage the market. This analysis considers how schools are responding to competitive forces as they are positioned — and position themselves — within local education markets through both internal (process) and external (promotional) responses. In light of the notable emphasis on marketing by schools competing for students, the study pays particular attention to observable school responses that serve to shape student intake. The analysis suggests that the ways that different schools promote themselves in the marketplace illuminates the changing incentives embedded in competitive school environments.

In fact, contrary to the expectations of many theorists and reformers, the growing emphasis on symbolic representations of schools might reflect perverse incentives that may not support efforts to effect substantive change in the classroom. The first part of the paper describes the broader issues of the intersection of policy and research on the effects of market mechanisms in education. In the middle section, I outline the theoretical issues for this study, which draws on organizational sociology as a way to understand “second-best” market-like conditions. This approach is helpful in conceptualizing the different options available to schools and managers in competitive environments. That discussion is immediately followed by a description of the data, analysis and findings, with a particular focus on marketing across school organizational types. The concluding discussion considers the theory and practice of organizational and programmatic differentiation in schools, and the implications of the disconnect between theory and practice for educational marketing and management. It appears that school

marketers are promoting their schools in ways that may emphasize shaping perceptions of vertical distinctions based on images of prestige and proxies for quality, rather than pursuing innovations that were intended to lead to increased school effectiveness and horizontally arranged programmatic diversification.

### Research Context

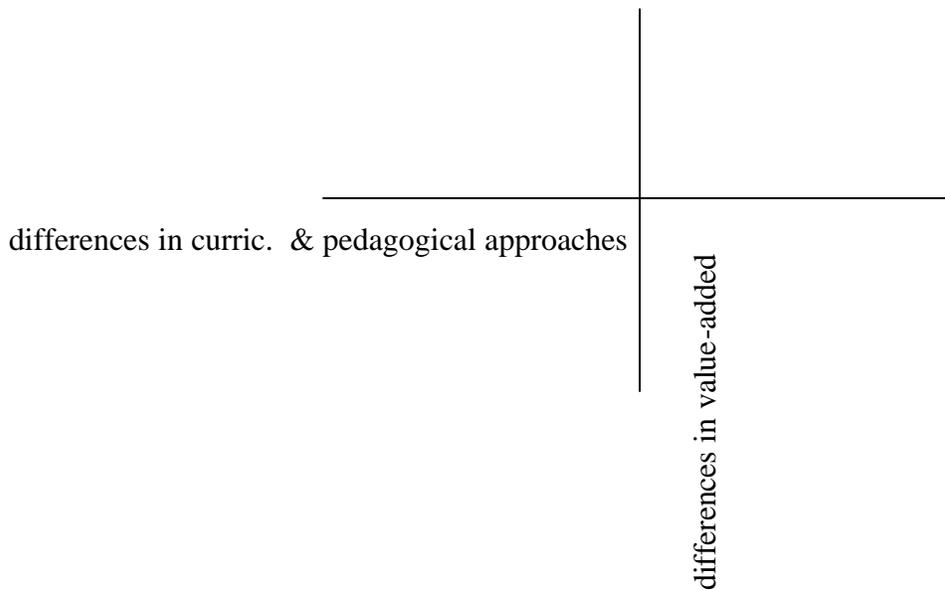
Much of the impetus for school choice reforms emerges from the assumption that competition between schools will lead to overall benefits, including more innovation and responsiveness to consumers, and increased efficiency and overall effectiveness in securing gains in academic achievement. Research in the US has tended to focus on the success or failure of these reforms in meeting their primary intended *outcomes*, while relatively little attention has been paid to the impact of these reforms on issues of organizational behavior — how schools are actually responding to competitive forces. Yet the organizational behavior of schools is a significant concern in this regard, since it is a central agent in the popular “Public Choice” theory of school change motivating much of these reforms, and a key consideration if successful practices are to be identified and replicated (e.g., Chubb & Moe, 1990). Under this theoretical perspective, a school’s organizational location in the bureaucratically-administered public sector leads to many of the pathologies that constantly plague public schools. Consequently, by blurring distinctions between sectors — particularly through deregulation and decentralization reforms that force public schools into more competitive environments — theorists and reformers believe that schools will have both the opportunities and incentives necessary to leverage changes in school behavior (Lubienski, 2003b; Miron & Nelson, 2002). In

particular, competition will induce schools to act less like bureaucracies and more like businesses in assuming a customer-orientation, developing innovations, and re-directing resources away from administration and back into the classroom (e.g., Hoxby, 1994). It is through such changes in organizational behavior that schools can be better positioned to reach other goals such as academic achievement or parental satisfaction.

However, research from other nations problematizes assumptions that schools, now acting as competitive enterprises, will necessarily behave in ways that reformers believe are necessary to achieve those goals. Indeed, in recent years, policymakers in several nations have instituted increased autonomy for schools, exit options and diversification of choices for consumers, and portable funding to follow the student (Davies & Guppy, 1997; Levin, 1997; Lubienski, 2001). For instance, schools put into competitive environments in Chile — probably the most marketized system — have tended to avoid curricular and pedagogical innovations in favor of other organizational responses. Instead of implementing different or innovative instructional strategies, autonomous public, and voucher-subsidized religious and for-profit private schools have adopted symbols associated with prestigious elite education, such as English-sounding school names (Espínola, 1993; Gauri, 1998; Hsieh & Urquiola, 2002). Likewise, in New Zealand, research points to the efforts of schools to shape their student intake through forms of symbolic presentation. For instance, a principal notes that — rather than changing classroom practices — he “can always change the uniform” or mount an advertising campaign at the local mall to attract the students that will improve the school’s market position (Lauder et al., 1999, p. 102). Similarly, studies on school reforms in the UK indicate that, when given the autonomy to embrace innovative

approaches to teaching and learning, schools have used that autonomy instead in focusing efforts on symbols that connote academic prestige (school crests, discipline codes, etc.) associated with elite schools (Edwards & Whitty, 1997; Fitz, Halpin, & Power, 1997; Woods, Bagley, & Glatter, 1998). This appears to go against the government's stated intentions that these reforms would encourage diversification of different-but-equal programmatic options in schools (see Figure 1; Dept. for Education, 1992).

Figure 1: Horizontal and vertical diversification



Horizontal differentiation: Different-but-equally valued programmatic options appealing to individual tastes

Vertical differentiation: Arranged by generally-perceived quality, school effectiveness

Thus, much research questions assumptions that marketized environments will necessarily induce organizations to be more effective in educating students, since schools

in these cases appear to recognize countervailing incentives to act in ways that focus not on more effective educational processes, but on marketing efforts that can shape student intake.

Although choice-based reforms in the US are not as developed in terms of time or extent as are those in some other countries, the recent popularity of charter schools, public school choice, public and privately funded voucher plans, and tuition tax credits have created conditions that approximate markets in some areas. Not surprisingly, much of the first generation of research on the intended outcomes of these reforms has been mixed. For instance, various researchers have studied the effects of Milwaukee's voucher system, and debated the different results on methodological grounds (Greene, Peterson, & Du, 1996; Rouse, 1998; Witte, 2000). Some have looked at the impact of choice reforms on patterns of student segregation, with similarly divergent findings (Cobb & Glass, 1999; Greene & Mellow, 1998). While the research literature on US reforms is still developing, pertinent parallels with the research from other nations on organizational behaviors are beginning to emerge. Most notably, after a decade of charter school reforms, these autonomous schools of choice appear to be adopting innovations in terms of private-style organizational behaviors, as intended.

Yet, it appears that these schools have not been developing the innovations in teaching and learning that reformers had expected (Good, Braden, & Drury, 2000; Lubienski, 2003a; Stout & Garn, 1999). As relatively deregulated and autonomous organizations, charter schools were advanced explicitly to access potentially beneficial aspects from the private sector for state-funded schools, including consumer responsiveness, managerial flexibility, and fiscal independence. These organizational

changes were intended to then translate into classroom innovations and subsequent diversification of educational options; educational innovations are the most frequently-cited policy goal for these schools in the various state legislation, and are also highly anticipated for their “break-the-mold” potential according to surveys of teachers policymakers, and charter founders (Lubienski, in press). Although market-style environments seem to be inducing innovative organizational practices in charter schools, competition appears to be presenting barriers to charter schools in their intended potential to serve as research and development (R&D) centers for innovative classroom practices (Lubienski, 2003a). Moreover, compared to states that limit competition and autonomy for charter schools, where charter schools are afforded higher levels of autonomy and placed in more competitive conditions, they appear to be more likely to engage in marketing and other forms of promotion (Lubienski, in press).

In fact, it is becoming increasingly apparent that competition for students is leading many types of schools to embrace forms of symbolic representations and image management. Such tactics can take a variety of forms, including requiring school uniforms and crests, increased attention to physical characteristics of a school, choosing attractive and prestigious names, etc. In particular, many schools are adopting specific marketing strategies — described in media accounts as a new phenomenon, noted by observers as evidence of the impact of these reforms, and lauded by advocates as evidence of their success in inducing change in school behavior — but not yet examined by researchers (e.g., Center for Education Reform, 2000; Maranto, Milliman, Hess, & Gresham, 1999; Miron & Nelson, 2002; Triant, 2001). While studies of the impact of competition have shown limited evidence of programmatic changes, several reports

highlight intensified marketing as a strategy popular with school managers and district officials, including promotional picnics, door prizes, websites, infomercials, and, especially, advertisements in newspapers, in movie theaters, on television and radio, on billboards, through brochures — even engaging skydivers to promote a school (Wilgoren, 2001).

While some may find fault with this trend, in fact, the intensification of these activities reflects schools' and, more specifically, educational managers' perceptions of rational ways of responding to the apparent incentives embedded in competitive environments. That is, while choice reforms that engender competitive environments to induce changes in organizational behavior are designed to lead to more efficient processes and more effective outcomes, the increasing popularity of marketing as a response to competition problematizes the underlying assumptions of these reforms (as well as any assessment of their immediate effects). Reformers assumed that competition would cause schools to be more effective. They did not appear to anticipate that schools would focus on promotional activities, as Wilgoren (2001) writes:

Market theory suggests that schools competing for customers will be forced to improve performance. While studies of limited choice programs show that parents who choose schools are generally more satisfied than they were before choice, and while their children's test scores often rise, there is little evidence of improvement in districts or systems as a whole. What does tend to improve immediately, though, is salesmanship...

As a largely unanticipated consequence, then, these practices highlight an important issue that has not received due consideration. Whereas competition is intended to compel

schools to be more responsive to diverse learners, we might expect schools to diversify programmatic options, and then convey information on such programs to prospective parents. Likewise, since competition is expected to induce improved educational processes, we might find that more successful schools will employ more effective processes for producing, rather than simply attracting, “better” students. Although educational processes can be very difficult to observe, insofar as school choice systems depend upon on publicly accessible consumer information, we can, in fact, learn much about how schools sense and respond to these incentive structures by examining the signals that they send to consumers.

### Studying School Behaviors

This analysis centers on the question of how market-style mechanisms of choice and competition construct incentives for schools. In particular, the ways schools seek to engage the market and position themselves through marketing strategies reflects how school managers perceive the underlying incentive structures in a market. This is a significant consideration, since school choice reforms seek to change incentive structures for schools in order to change school behaviors as a route to expected policy outcomes.

### Theoretical Framework

As a blend of institutional forms and accountability regimes within the same market (and often within the same school), education markets can be characterized as “second-best” or “quasi-” markets — as opposed to idealized pure markets — reflecting the generally accepted role of the state in funding and regulation (if not provision), the

fact that consumers are compelled by law to “purchase” services, the spillovers associated with mass education, and other structural aspects that necessarily preclude pure-market-like arrangements (Lancaster & Lipsey, 1956; Lubienski, 2003b; Whitty, 1997). Still, in keeping with public choice prescriptions for public sector failures, schools are increasingly cast as economic-style entities appropriately driven by market mechanisms in purer market environments, redesigned to attract consumers and respond to the exit signals of dissatisfied families or risk going out of business. In that role, schools — like similarly situated businesses — have to negotiate from a limited range of available alternatives. Faced with the need to attract and retain consumers, firms in competitive sectors often have three essential options: (1) adjust price, (2) improve product/service through product or process innovation, or (3) improve marketing (Hill & Jones, 1989; Mansfield, 1970; Tirole, 1988). For most schools, of course, the possibility of adjusting price is largely unavailable, particularly for public schools and even most private schools accepting publicly funded vouchers. In lieu of price competition, economic theory holds that firms will either compete through R&D of innovations to offer a better product, or use advertising to promote their product or (in some cases) shape their clientele. In education, market-oriented reforms are intended to induce schools to re-direct efforts away from administration toward curricular innovation and effectiveness, resulting in greater efficiency and diversity of options for parents (e.g., Hoxby, 1994; Walberg & Bast, 2001); yet evidence suggest that schools may also recognize increasing incentives to focus attention on marketing as its own strategy.

Although there is much valid concern from public choice theory about monopolistic aspects of public schooling, and subsequent interest in the potential of

market-style competition to address those ills, emerging second-best educational markets, like many markets, manifest aspects of monopolistic competition. Indeed, conditions inherent in, and peculiar to, second-best markets such as education can create incentives that compel organizations to behave in ways quite different from how they would act in competitive, pure-market environments (Chamberlin, 1933; Lancaster & Lipsey, 1956; Robinson, 1933). When there is a relative homogeneity in the product or service, competition is often played out on factors other than price, since marginal decreases in price are unlikely to attract consumers away from their preferred providers, and substantial price increases carry the possibility of convincing one's own consumers to find a palatable substitute. (However, managers may increase prices or costs on consumers in cases where shaping a more exclusive clientele would add symbolic value to their product — a consideration discussed in the concluding section.) Thus, the latter two options noted above focus on product/service differentiation, and are oftentimes more readily available, as with second-best education markets. While firms may innovate or otherwise improve products or services to substantively differentiate their product from others, R & D typically entails substantial costs (both immediate and opportunity costs), and too great a change may alienate consumers loyal to the “real” version of the product. Consequently, when innovation is risky, expensive, or it would be difficult for the innovator to capture the profits, a more attractive option often involves product differentiation through symbolic representations and image management to generate *perceptions* of difference (or brand loyalty); marketing can create impressive distinctions in consumers' perceptions of products even where actual differences are often superficial (George & Joll, 1981; Mansfield, 1970).

These conditions describe second-best markets in education in several important ways. One of the central motivations for deregulation in education is to allow for greater ease of entry for providers in order to free up the supply, encouraging nontraditional providers that offer parents alternatives to traditional public schools; conversely, reformers hope to accelerate ease of exit for providers that fail to meet the preferences of consumers (Lubienski, 2003b). Furthermore, the relative homogeneity of educational services overall — what Brown (1992) calls a “comprehensive uniformity” in the technical core of education — means that schools that offer services too far outside the realm of what is commonly considered to be “real schooling” have traditionally met with insurmountable consumer resistance (Metz, 1990; Tyack & Cuban, 1995). Instead, the most dramatic distinctions in services tend to appear in areas secondary to the core academic function of schools, in areas such as religious instruction and extracurricular activities that do not directly affect students’ prospects in labor markets. Other (vertical) distinctions are evident in *perceived quality* of services, and student intake. However, reformers have granted some schools substantial autonomy in competitive educational environments in the hope that schools may also differentiate themselves by focusing on a particular curricular area, or pedagogical approach (horizontal distinctions).

While these are the options available to schools in conditions that manifest important aspects of monopolistic competition, the immediate issue is what options schools are actually pursuing in light of the competitive pressures in education markets. Under the assumptions that “one size does not fit all” and that parents have diverse preferences for schools — as opposed to the old common school approach that focused on state-monopoly and uniform treatments — market-oriented reforms assume that

competition will produce an overall increase in quality at least in part by inducing schools to compete to satisfy diverse preferences, thereby distributing themselves on a broader horizontal scale where choosers can find a better “match.” If, as reformers have intended, schools are responding to competition by innovating or otherwise improving and differentiating educational processes, then promotional strategies embraced by schools should focus on providing parents with “hard” information on: (1) horizontally differentiated programmatic options that a school offers relative to other schools, (2) the potential of a school for meeting the particular learning style of a given student, relative to other horizontally distributed school options, or (3) “hard” evidence of programmatic effectiveness (see Tirole, 1988, p. 115). On the other hand, if schools operate in incentive structures where the costs of substantive differentiation (R&D of more effective educational treatments) outweigh the perceived benefits or are difficult to convey to consumers, then promotional strategies will focus on “soft” information that does not pertain directly to the value-adding potential of a given school, but use symbolic representation and surrogates to reinforce a vertical scale of prestige.

### Data and Analysis

In order to better understand the different incentives facing schools in competitive environments, this study analyzed the messages schools send to potential consumers in positioning themselves in dynamic second-best education markets. Those signals reflect school managers’ perceptions of the incentives embedded in the competitive environment. To that end, the study examined marketing approaches across two “local education markets” (LEMs) in a leading state.<sup>1</sup> Indeed, several states have successfully

encouraged a relatively high degree of competition, consumer choice, and decentralized governance through voucher programs or liberalized charter school legislation. However, many charter schools in states such as Arizona, California, and Colorado are not established to offer a new or competing vision of education in a local market, but are chartered by districts (often with housing developers) as add-ons to existing district programs, as a way to more easily accommodate rapidly expanding school-age populations (Glomm, Harris, & Lo, 2001). Furthermore, in established voucher programs in Milwaukee and Cleveland, suburban districts do not participate, so political jurisdictions pose artificial, extra-market constraints on the exercise of consumer choice. Consequently, this study examined dynamic and extensive education markets in Michigan that span metropolitan areas.

Michigan serves as a useful site for studying school competition, since the state makes funding portable through per-pupil allotments, and allows for open-enrollment practices across districts. Furthermore, Michigan has one of the “strongest” charter school programs, according to proponents, in terms of number of chartering authorities, and the fiscal, legal and operational autonomy granted schools — which are legally akin to local districts (Center for Education Reform, 2003). Together, over a decade, these policy measures created in effect a voucher system within the publicly funded sector in Michigan (Arsen, Plank, & Sykes, 1999). Moreover, the state has a strong tradition of private, religious schools, particularly in urban areas. As reformers observed in advancing these proposals, “public education is artificially closed and not subject to market forces even within the system. By permitting competition and choice in the system, the quality of education should increase” (State Board of Education, 1995, p. 7).

Indeed, there is much evidence that policymakers' efforts to increase competition are having an effect. Waiting lists for charter schools translate into constant pressure on legislators to raise or eliminate the cap on charter schools, and over 26,000 students are currently taking advantage of opportunities to choose outside of regular school assignments schemes (Commission on Charter Schools, 2002). In fact, Detroit devoted \$1.5 million to marketing and public relations last year, and other districts are following suit — a trend lauded by market advocates as “a sign that school choice...has prompted many districts to improve their educational programs, and advertising lets parents know about the improvements” (Lehman, 1999; see also Cohen, 2002; Mackinac Center for Public Policy, 1999).

This paper focuses on two medium-sized urban areas where essentially all schools can compete for a common and complete pool of students available in their respective metropolitan areas; no student is more than 10-12 miles from any school in the LEM (thus, with rudimentary systems of public transportation typical in mid-western US cities of this size, all students have geographical access — at least in theory — to any school). This is important because each LEM presents a discernable quasi-market from which to analyze school behavior as all schools in each of the two areas are subject to the same market environment. The two LEMs discussed here are roughly similar in size — with between 500,000 and 1,000,000 residents within a 10-15 minute drive of the metropolitan core, and central city school districts serving in the general area of 20-25,000 students. The two were chosen not for comparative purposes, but to discern common patterns. (The data were analyzed both separately by LEM and in the aggregate; since there were not significant differences by LEM, the data is reported here as a whole except when

noted otherwise. Furthermore, while much of the information presented here is publicly available, because school managers were promised confidentiality, pseudonyms are used for schools and data is aggregated as appropriate to obscure identification.)

The data for this analysis comes from several sources, with US Census Bureau data providing background information on population, education levels, and economic and ethnic characteristics of communities. District and school-level information is drawn from the School Evaluation Service operated by Standard & Poor's, the Global Locator service of the National Center for Education Statistics, the state's Center for Educational Performance and Information, as well as districts, diocese, and individual schools. School data included organizational and student characteristics (e.g., grades served, ethnic composition, free and reduced lunch, etc.), along with information on programs and curricula used at individual schools. This data was entered into a database arranged into district-run public, charter, and private school categories — with private schools subdivided into parochial (mostly Catholic, but a few Lutheran) and other religious schools (almost all Protestant/Christian). Furthermore, interviews were conducted with a set of school (and district, diocese) managers representing each of the different types of schools in urban-core and suburban settings. Participants discussed programmatic and curricular options and innovations, demographic and achievement trends, and marketing activities. Most importantly for the present analysis, samples of marketing efforts were collected over a one-week period in the month before school started.<sup>2</sup> To collect samples of school marketing, school ads were clipped from the local daily papers and area yellow pages, and billboard advertisements and school promotional banners on the major thoroughfares were digitally photographed.<sup>3</sup> In addition to these forms of promotion,

school websites were accessed.<sup>4</sup> Overall, over 250 observations of school marketing were used in this analysis.

This marketing data for individual schools (and advertisements for whole districts and diocese) were then entered into the database, including the ad copy (text), logos or other symbols. Particular attention was paid to considerations drawn from media studies, including content analysis (text, symbols), production values, and indications of audience (see Hesketh & Knight, 1998). This dataset then served as the basis of comparison for types of marketing (print and electronic media), school promotional information, use of symbols, etc., by school type and other relevant characteristics. Table 1 provides an overview of the marketing activities of schools in these LEMs, by school governance type.

Table 1: Percentage of all advertisements, by school type

<b>School Type:</b>	<b>Central-District Public (n= 177)</b>	<b>Other Non-charter Public</b>	<b>Charter (n=27)</b>	<b>Private (n=70)</b>
% ads in print media	18.2	4.5	45.5	31.8
% ads in all media	65.7	-*	14.8	19.6

\* see endnote 2 regarding the exclusion of these schools from this sample

In this representation, different types of schools appear to be engaging in different types of advertising. Noncharter public schools in general constitute about two-thirds of all schools in these LEMs; and while such schools in the core districts make up 36% of the overall mix, they placed only a small fraction of the ads in traditional print venues such as newspapers and billboards. (With two exceptions — noted below — suburban public

districts were not particularly active in marketing in the LEMs.) While charter schools and private schools represent smaller proportions of the complete school mix in these LEMs (5.5% and 26%, respectively), they are over-represented in these media, with charter schools particularly active in this regard. However, when web-based information is included, core district public school participation in marketing appears to increase dramatically due to the fact that virtually all such schools in one district, and most in the other, have websites;<sup>5</sup> while private and charter school proportions in this venue more closely approximate their actual presence in the LEMs.

### Findings

The over-arching theme in these local education markets centers on the strategies of engagement (or non-engagement) by different types of schools. In terms of internal processes, competitive pressures appear to have provoked few clear curricular or programmatic innovations, according to interviews and observations in charter, public-district, and private schools. Surveys of curricula and programs also suggested that, rather than a diversification of new options, many schools were instead re-embracing familiar classroom practices. In both interviews and advertisements, no claims were made regarding the development of new or different instructional practices. On the other hand, some interviews — particularly in newer (usually charter) schools — indicated that a school had *adopted* innovative practices. Interestingly, innovations tended to involve bringing more traditional approaches into, or back into, use in an LEM: Saxon math, character education, discipline codes. Other “innovations” were more tenuous: a computer in the classroom, or using the state’s core curriculum. Such trends

problematize easy assumptions that “creating competitive pressures on public schools increase[es] the incentive for innovation” (State Board of Education, 1995, p. 9).

However, while the relative paucity of classroom-level innovations affirms other research from competitive school environments (see above), so too does the concurrent trend toward more entrepreneurial organizational activity in areas such as marketing.

In that regard, the ways in which schools sought to engage the market through promotional efforts reflected not just organizational type — the key consideration in the public choice theory motivating these reforms — but also more mundane issues such as geographical and market position. As a prime example, with few exceptions, suburban districts were notably inactive in marketing. On the other hand, although central districts mounted annual marketing campaigns — one costing at least \$120,000 — these were typically “soft” endorsements of the respective districts in general, rather than of particular schools. For instance, one central district took out ads in the local paper, not to promote specific educational programs, but to note that “parents and educators and communities work together” (this could be read as less of a plea for new students so much as a plea for more parental involvement). The other central district posted billboards with general information on specialized schools-of-choice, but these ads typically appeared within the district’s boundaries, especially in residential neighborhoods with higher levels of poverty where they would most likely attract attention from district residents. Both districts linked their main webpages to individual school websites. However, district-school webpages in both core districts were essentially oriented toward current users, not promotional. These webpages showed no evidence that they were designed to attract new consumers. Instead, information such as

meal menus and school policies was geared towards families with children already in those schools.

For the most part, by focusing on convenience-oriented information for current (not prospective) parents, public school districts appeared to be attempting to stem the loss of any students, rather than attracting new ones. The more prestigious suburban districts typically were not actively using marketing to pursue urban families dissatisfied with central district schools. (The state allows students to leave their home district, but does not require other districts to accept them.) Two exceptions to this pattern involved smaller public districts, both of which placed ads in the daily paper of their respective metropolitan areas. In contrast to the vague image strategy used by the core districts, one suburban district publicized its focus on teaching, an academic award received by one of its schools, its multi-age classrooms, team teaching, and its extended year calendar. A more rural district on a metropolitan periphery noted students' access to technology, AP classes, and the fact that its smaller size made it more likely that athletes could play sports. However, in the district sector, these two examples were exceptional.

In addition to the notably generic campaigns sponsored by urban districts, the more dynamic participants in school marketing in these LEMs were private and charter schools. Although constituting about 35% of the schools in the dataset, they accounted for over 75% of the advertising in traditional (non-web) media surveyed in this analysis — perhaps an understandable tendency in light of the fact that, unlike districts, these schools have *always* had to attract students. Furthermore, these schools were much more aggressive in their use of the web as a means to market themselves to the pool of potential consumers. In view of the expectation that diversifying the organizational form

## School Competition and Promotion

of schools would diversify options for various parents, it is interesting that many private and charter schools embraced similar approaches and themes, apparently by-passing substantial segments of the potential market in favor of specific consumer types.

Consider the various terms and forms of information that were repeated in the copy of many of these ads. Table 2 gives an overview of the frequency of different ideas used in school marketing, by school type.

Table 2: Column percents of school advertisements employing a theme, by school type

	<b>Dist.- public</b>	Charter / dist.	Charter / EMO	Charter / ind.	<b>All charter</b>	Private/ Cath.	Private/ Christ.	<b>All private</b>
trad. acad. sym.	<1		22	44	<b>27</b>	14	50	<b>30</b>
Christian / reli.						23	72	<b>45</b>
achiev/“excell”	<b>2 *</b>		28	22	<b>23</b>	23	28	<b>25</b>
character/moral			61	44	<b>50</b>	9		<b>5</b>
“academics”	<1	100	33	22	<b>33</b>	18	11	<b>15</b>
“safety”	<1		17	44	<b>23</b>		6	<b>2</b>
home / parent			22	22	<b>20</b>	5	6	<b>5</b>
“technology”		100	2	11	<b>13</b>	5	17	<b>10</b>
“small classes”			17	11	<b>13</b>		6	<b>3</b>
fine arts			11		<b>6</b>	5	11	<b>8</b>
patriotism	<b>2</b>		2		<b>3</b>	5	11	<b>8</b>
“tuition-free”			11	22	<b>13</b>			
“choice”			11	22	<b>13</b>			
social goals	<b>1</b>	33			<b>3</b>	14		<b>8</b>
athletics	<b>3</b>			11	<b>3</b>	9	6	<b>8</b>
“innovative”		33	2	11	<b>10</b>			
alt. ed. model		33			<b>3</b>		6	<b>3</b>

\*= 3/4s of these reiterated the district’s slogan regarding “quality.”

In this table, percent columns indicate, in descending order, the frequency of a term or theme in all ads from a school of this type (for instance, 23% of all ads from charter schools cited “achievement,” “excellence,” or “quality”). Charter school information is disaggregated by type: three schools were authorized by their host districts, and it is safe to assume a less competitive relationship with host districts in these cases — these

schools are typically established by a district to serve as an alternative school to complement the district's programs (Lubienski, in press). On the other hand, all independent and Educational Management Organization (EMO)-run charters were authorized by external entities — typically state universities. Such schools have more structural opportunities and incentives to compete with failing district schools for students, as intended by theorists and reformers. (As noted above, suburban districts were largely absent from the marketing milieu, while central district schools did not employ specific marketing messages, preferring instead soft, generic promotions.) Marketing practices of private schools were disaggregated by denomination, since most parochial schools were associated with a larger organizational structure in metropolitan diocese — a fact which could be expected to shape their marketing behavior since, under the diocesan structure of parish boundaries, parochial schools typically have not competed with each other for students. Despite a small presence of non-Christian religious and nonsectarian private schools (mostly Montessori), almost all private schools in the K-12 range were Christian, including a couple of Protestant denominational associations of no more than a half-dozen schools.

One of the most common marketing devices involved the use of the term “Christian” (or “Christ,” “Christianity,” etc.), or Christian symbols — including scriptures, praying hands, and Jesus. While such an approach was evident in 45% of all marketing from private schools, it occurred in 72% of the ads from non-parochial private schools. However, “academic” and academic symbols (pictures of apples, one-room schoolhouses, etc.) together occurred even more frequently in marketing from all charter and private schools. (The frequency of this theme with charter schools would have been

near 100% if school names were included in the coding, since Michigan’s charter schools are legally “Public School Academies,” a label typically given some prominence in marketing materials for these schools.) Other commonly occurring terms include: “high achievement,” “excellence,” and “quality;” an emphasis on “character” and/or “moral values;” and “safety” (as in schools providing a “safe environment”).

These results indicate some interesting patterns in view of the expectations of theorists and reformers. Public choice theory assumes that autonomy and consumer choice will allow for a diversification of institutional options to reflect diverse consumer preferences. If, in fact, parental preferences are multi-modal, we might expect to see marketing used to promote new, innovative, or otherwise alternative programmatic options. That generally does not appear to be happening to any significant extent in these LEMs. On the other hand, some equity advocates are concerned that competition will force schools to raid less successful schools for students (a possibility endorsed by others to compel schools to improve). However, a significant pattern here is the remarkable degree to which EMO and independent charter schools appear to be using marketing strategies to target students already enrolled in private schools — a finding that, if true in other LEMs, would undercut reformers attempts to leverage competition through charter schools to induce improvements in other public schools. In lieu of religious terms (the domain of private schools), charter schools placed a remarkable emphasis on traditional moral values in their marketing materials. While, presumably, parents of children in public schools might wish for such emphases in their own children’s education, many charter schools also highlighted the “tuition-free” or “school choice” nature of their schools, suggesting an effort to attract families with preferences for private-style

education — families paying for private schools, or families that would pay for such education if they could afford it. Indeed, many charter school ads made further distinctions between their own “private school”-like qualities, and conditions associated with regular district schools, differentiating themselves in terms of safety, class-size, and communication with the home.

Indeed, a closer look at two charter schools effectively illustrates this issue. “Oak View Academy” is not atypical, since it is run by an EMO, and closely follows the corporation’s classical template in its marketing in terms of style, message, and information. This Academy serves almost 600 elementary students — over 90% white (compared to 82% in the host district) — in a middle-income suburb. It is shedding its economically disadvantaged students (a group that was depressing its scores on the state exam): 20% of the school population five years ago, and now less than 15% (compared to over 30% in the host district). Students now exceed state averages on the state exam in every area except reading, and have recently surpassed the local district in most student performance indicators. The marketing campaign of Oak View, like most in its EMO, focuses on character and basic curricula: the opening line of the school’s introduction states that the school “differentiates itself from other schools in numerous ways.

QUALITY CHARACTER DEVELOPMENT is an integral part of the school days” (emphasis in original). The material goes on to emphasize (in caps) its “high academic standards” and responsiveness to parents, along with its “back-to-basics” curriculum.

The testimonial of one parent notes:

I had been home schooling our children, and my husband and I decided that the emphasis of a back-to-basics curriculum with a moral focus would correspond to

the educational goals and family values we desire for our children.... We wanted a safe environment without the moral failure that is too common in our public schools.

There is now a growing waiting list of applicants for this school.

“Explorer Academy,” an independent elementary charter school, was rapidly losing enrollment, down over 30% from its high three years ago. The proportion of African American and Hispanic students had meanwhile increased, even as scores were down considerably (between 1/5 and 1/4 of its students were passing the state proficiency exam). The school then took out newspaper ads in which it downplayed its original alternative focus on natural sciences, listing as its attributes: an emphasis on “academics,” “Traditional Discipline,” “No Social Promotion,” the fact that it is a “tuition-free” “choice,” and its “small class sizes.”

Thus, despite two rather different situations — one school with surplus capacity, the other oversubscribed — these schools embrace different tactics but similar themes in self-promotion. The school in the better market position uses only a relatively inexpensive website maintained by the EMO to project its traditional, private-like attributes; the school losing market share spent at least \$2,000 to promote itself through the newspaper, but embraced themes virtually identical to the other school, and to many private schools. In these cases, it appears that managers for such schools sense incentives that may discourage “innovation” in favor of traditional approaches that would appeal to consumers who have preferences for private-style schooling.

### Discussion

As schools increasingly gravitate toward image promotion as a way to position themselves in competitive markets, patterns of organizational behavior and competition suggest that market pressures are not necessarily creating the incentive structures anticipated by public choice theorists and reformers. For instance, the neo-liberal Democratic Leadership Council contends that “the system must encourage innovation along with expanded choices. There must be changes in how students are educated, not simply where they are educated” (Halpern & Culbertson, 1994, p. 29). Similarly, Lisa Graham Keegan (1999, p. 193), head of the reformist Education Leaders Council, argues that “you have to go beyond advertising and outreach and get down to the classroom level to find out why these kids are leaving.” Yet, if the ways that schools are actually engaging the market are an accurate reflection of the underlying incentives intended to drive school improvement, diversification, and innovation, it appears that many schools are not promoting horizontally differentiated options or classroom innovations. Instead, many schools seem to prefer marketing as a way to maintain or increase market share by shaping consumer perceptions of vertical distinctions of institutional desirability and quality.

While many reformers assume that consumers shape the market as it responds to parental preferences, marketing practices demonstrate that this relationship is more complex, with schools sensing, but also shaping, consumer preferences by defining what “real” or “good” schooling is through their marketing. Thus, rather than diversifying options, the marketing seems to emphasize a rather monolithic model of schooling built around characteristics associated with more established private schools: traditional

values, academic excellence, quality, and so forth. More importantly, very few of the ads dealt with hard information on programmatic issues of curriculum and pedagogy, and *none presented evidence of school effectiveness*. This is a significant point, since information on effectiveness is essential in consumer-driven markets. Yet while phrases and symbols refer to ideas like academic quality and excellence, none of the marketing materials gave any indication that a school was *producing* — and not just *attracting* — higher achieving students. In fact, marketing strategies in these LEMs appear to reflect a desire to attract “better” students, rather than to serve diverse learning preferences, or to target students in poorer schools.

### The Theory and Practice of School Differentiation

The most prominent thinking on school reform now holds that market-like competition will drive school change, as with other consumer markets, in two ways. First, a range of providers will diversify offerings by competing to satisfy diverse consumer preferences (i.e., product innovation). Secondly, while competition may cause temporary differences in quality, market mechanisms will drive corrections as consumers exit poorly performing providers for higher quality ones. Ineffective producers will either improve (through process innovations) or go out of business — thereby leading to a general improvement in effectiveness (the “rising tide lifts all boats” perspective). While compelling on a theoretical level when applied to markets characterized by pure competition, this market-logic is messier when applied to the second-best market of schooling, which necessarily manifest essential aspects of imperfect competition. In such cases, the incentive structures advocated by reformers may leverage change, but, it

appears, not necessarily in the ways intended by reformers. In the cases studied here, as well as in studies in other nations, the pressures of competition often drive schools to act in ways that may undercut the intentions motivating reforms. Many schools are emulating traditional approaches, at least in symbolic representations of their processes — while hesitating to engage in substantive innovations in core practices at the classroom level, where reformers concerned about the “one-size-fits-all” approach had hoped to leverage change. This finding is consistent with research on school responses to quasi-market forces in other nations (e.g., Hsieh & Urquiola, 2002; Lauder et al., 1999; Lubienski, 2001; Woods et al., 1998).

In fact, R&D of technical core practices entails many costs and risks. In a competitive environment, school managers may find a safer and more certain strategy in embracing forms of symbolic representation that can be expected to appeal to “better” consumers. Ironically, schools that Hoxby (1994) suggests most need to direct resources to classrooms may also have the greatest incentives to spend those resources on marketing just to sustain enrollment. More importantly, schools that are actively engaged in marketing are competing not on the basis of horizontal distinctions between programs appealing to different personal tastes, but on a vertical scale of *perceived* quality — one that does not highlight *actual* indicators of the “value-added” effects of the school on a given student. The marketing materials in this study simply did not speak to this essential consideration, but may have the effect of shaping student intake by attracting families with preferences for school characteristics associated with more prestigious, private-style education — families with students who may be less costly to educate, and who may increase a school’s tests scores regardless of school effectiveness due to advantageous

family-background characteristics. Thus, market forces may in fact provide disincentives for schools to focus on the equity considerations of diverse learning styles and difficult-to-educate students. This incentive for shaping intake has serious implications for student sorting.

**Notes**

<sup>1</sup> Some researchers use the term “lived” educational markets to emphasize how these market processes are experienced (see, e.g., Ball, Maguire, & Macrae, 1998).

<sup>2</sup> In our research on other metropolitan areas not included in this analysis, it is apparent that different types of schools in different areas of the country peak their marketing activities at different times of the year (for instance, private schools in Washington, DC, tend to close admissions for the following year by the end of previous winter). This period of time corresponds with an increase in the frequency of marketing activities in these particular LEMs (e.g., charter school fairs, promotional picnics, door-to-door salesmanship by teachers, and advertisements in local media).

<sup>3</sup> Television and radio advertisements would have been useful for such an analysis as this. However, it was beyond the resources of this study to monitor the airwaves in any systematic manner. Furthermore, such ads introduce a different dimension to the analysis, since such electronic media are typically targeted at a more specific demographic — i.e. white males aged 25-34 who listen to “classic rock.” Such emphasis on targeting sets up the possibility of schools pursuing students with particular characteristics — a consideration discussed in the concluding section. The media used here tend to reach a much broader target audience.

<sup>4</sup> While all available charter and private school websites were used, in view of the large number of school websites, suburban public district websites were not included in the web sample because suburban districts in these LEMs were generally not actively marketing their schools. Of the schools that were included (all private, charter, and core-district public in the LEM), some web addresses were identified in the ads in print media, while others were available through websites for central district or diocese offices, or from websites that promote charter schools; for those that were not found through such links, the school names were searched on Google.com. Over 86% had websites that were located, including 89% of charter schools, 65% of private schools, and 85% of core-district public schools. For the present purposes, each school’s homepage was analyzed, including the names of links to other pages.

<sup>5</sup> The use of websites in school marketing is both illuminating and somewhat problematic for this analysis. Creating websites requires some technical expertise and capacity, but they are relatively cheap to administer after start-up. However, they may be more likely to reach only a particular segment of the potential consumer pool: those online. In fact, it is important to note that — probably because of the high initial administrative costs — individual schools using the web often employ the template of the larger organization of which they are a part. Public schools in one central district, for instance, closely followed a uniform format apparently dictated by their district. But the public school information available on their websites is oriented toward parents already using the school, providing them with lunch menus, bus schedules, and contact information. Many public school websites also include some links to annual reports, along with information on enriched and after-school programs, and links to assignment-posting services parents could use to view homework posted by teachers. Similarly,

private Christian schools and many charter schools usually follow a template if they are associated with, respectively, a particular denominational organization or Education Management Organization (EMO). In such instances, school information typically varied little from that of other schools in the organization. On the other hand, independent private and charter schools posted information in a range of formats, indicating that individuals school managers in these schools probably have more organizational latitude in promoting their schools.

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